



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

**VIA ELECTRONIC MAIL**  
**DELIVERY RECEIPT REQUESTED**

Darren Engbring  
Alter Trading Corporation  
1640 West Bruce Street  
Milwaukee, Wisconsin, 53204  
Darren.engbring@altertrading.com

Re: Notice of Violation  
Alter Trading Corporation - Milwaukee  
Milwaukee, Wisconsin

Dear Darren Engbring:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to Alter Trading Corporation – Milwaukee (“you” or “Alter”) under Section 113(a) of the Clean Air Act, 42 U.S.C. § 7413(a). We find that you have violated the Wisconsin State Implementation Plan and 40 C.F.R. Part 70: State Operating Permit Programs at your Milwaukee, Wisconsin facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility’s technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Emma Leeds. You may email her at [leeds.emma@epa.gov](mailto:leeds.emma@epa.gov) to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

Brian Dickens  
Supervisor, Air Enforcement and Compliance Assurance Section (MN/OH)

cc: Maria Hill, Chief  
Compliance, Enforcement, and Emission Inventory Section  
Wisconsin Department of Natural Resources  
[Maria.Hill@wisconsin.gov](mailto:Maria.Hill@wisconsin.gov)

## 3

6. Wisconsin Administrative Code NR 424.02 states that the definitions contained in chapters NR 400, 419, 420, and 421 apply to the terms used in Wisconsin Administrative Code NR Chapter 424.
7. On April 27, 1995, EPA approved Wisconsin Administrative Code NR 424.03, “Process lines emitting organic compounds,” as part of the federally enforceable SIP for Wisconsin. 60 Fed. Reg. 20643. 40 C.F.R. § 52.2570(c)(73).
8. Wisconsin Administrative Code NR 424.03(2)(b) requires process lines on which construction or modification commenced on or after August 1, 1979, and which are not subject to emission limitations listed elsewhere in Administrative Code Chapters NR 419 – 423, to control volatile organic compound emissions by at least 85 percent.
9. Wisconsin Administrative Code NR 424.03(2)(c) states that where 85 percent control of volatile organic compounds has been demonstrated to be technologically infeasible for a specific process line, the latest available control techniques (LACT) shall be used, as approved by the Wisconsin Department of Natural Resources (WDNR).

#### Title V Requirements

10. Title V of the Act, 42 U.S.C. §§ 7661-7661f, established an operating permit program for major sources of air pollution. Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d)(1) requires each state to develop and submit to EPA an operating permit program which meets the requirements of Title V. Pursuant to Appendix A of 40 C.F.R. Part 70, on December 4, 2001, EPA granted Wisconsin final approval of its Title V Clean Air Act Permit Program, effective November 30, 2001. 66 Fed. Reg. 62951.
11. 40 C.F.R. § 70.2 defines “major source” as, among other things, any stationary source that directly emits, or has the potential to emit, 100 tons per year of more of any air pollutant subject to regulation.
12. Wisconsin’s Title V operating permit program regulations are codified at Wisconsin Administrative Code NR 407 and are federally enforceable pursuant to Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3).
13. The regulation at 40 C.F.R. § 70.6(b)(1) provides that all terms and conditions in a Title V permit are enforceable by EPA.
14. The regulation at 40 C.F.R. § 70.5(a) provides that “for each part 70 source, the owner or operator shall submit a timely and complete permit application in accordance with this section.”
15. The regulation at 40 C.F.R. § 70.5(b) provides that any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information.

### **Factual Background**

16. Alter owns and operates a scrap metal recycling facility with a metal shredder at 1640 West Bruce Street, Milwaukee, Wisconsin 53204 (the Milwaukee Facility).
17. On July 28, 2021, US EPA issued a Request for Information (July 2021 RFI) to Alter. Alter responded to the July 2021 RFI on September 27, 2021, and October 11, 2021 (2021 RFI Response).
18. In the 2021 RFI Response, Alter provided information about the 6000-horsepower shredder operating at the Milwaukee Facility (the Shredder).
19. The Shredder utilizes several operations in sequence, including shredding, conveying, and sorting in order to modify scrap metal into a shredded steel materials and thus meets the definition of a “process line” in Wisconsin Administrative Code Chapter NR 400.
20. According to “Summary Table 1.a” of the 2021 RFI Response, the Shredder was installed in 1989 and has a rated processing capacity of 300 short tons per hour.
21. According to the 2021 RFI Response, the Milwaukee Facility, including the Shredder, currently operates under Part 70 Operation Permit No. 241213720-P20 (Operating Permit) issued by the WDNR on August 4, 2020.
22. The Operating Permit requires the exhaust from the Shredder to be routed through multiple pollution control devices to control particulate matter emissions: first a cyclone (Control C31), followed by a venturi scrubber (Control C32), followed by a high efficiency air filter (HEAF) (Control C33). All three controls were installed in 1989.
23. The 2021 RFI Response included a report and supplemental information for a 2004 stack test performed by Guenther Shackelford Associates on the Shredder on August 10 and 11, 2004 (2004 Stack Test).
24. According to the 2004 Stack Test report, continuous measurements of VOC from the Shredder were performed at the inlet and outlet of Control C32 using EPA Method 25A. The 2004 Stack Test report does not describe any modifications to the Shredder or any other steps taken to increase the percent of emissions from the Shredder that were captured and ducted to Control C32, where VOC emissions were measured. Capture efficiency was not determined during the stack test.
25. During the 2004 Stack Test, the Shredder operated at an average throughput of 158.8 tons per hour, which is 52 percent of the physical maximum throughput of 300 tons per hour provided in the 2021 RFI Response.
26. As stated in a 2020 Memo sent to Alter from environmental consulting company Environmental Resources Management titled “Discussion – Evaluation of Shredder VOM Emissions,” individuals present during the 2004 Stack Test recalled “possible intermittent visible emissions from the infeed chute” during the test.

27. The 2004 Stack Test supplemental information provides a peak hourly emission rate of 2.38 pounds of VOC per hour. Using this emission rate, in a file named “20040810 Shredder Test Data Reduction” included in the 2021 RFI Response, Alter calculated the potential to emit VOC emissions to be 13.9 tons of VOC per year.
28. On March 8, 2018, WDNR issued an NOV to the Milwaukee Facility, alleging multiple opacity violations resulting from excess stack and fugitive emissions.
29. On February 4, 2022, US EPA inspected the Milwaukee Facility to investigate compliance with the Act (2022 Inspection). During the 2022 Inspection, US EPA observed a significant amount of vapor escaping from multiple points in the Shredder, as shown in IMG\_0553 and MOV\_0156 of the US EPA March 13, 2022 Inspection Report, demonstrating poor capture of emissions from the Shredder.
30. As shown in IMG\_0153 and MOV\_0156, captured with a FLIR camera, vapors from the Shredder were escaping the hood above the Shredder. As stated in an April 30, 2022 email from Alter to EPA, Alter calculates its VOC emissions for the Shredder using the VOC emission factor determined from the 2004 Stack Test.
31. In Alter’s 2005 Permit to Construct Application for modifications to the Shredder, Alter evaluated whether it was required to control VOC emissions from the Shredder by at least 85 percent. Wisconsin Administrative Code NR 424.03(2)(b).
32. Using a VOC potential to emit of 14 tons per year, consistent with the 2004 Stack Test and the information contained in “20040810 Shredder Test Data Reduction” (See Paragraph 27), Alter determined that less than 85 percent emission control for the Shredder was appropriate, and proposed to use the “latest available control techniques” (LACT), as described in Wisconsin Administrative Code NR 424.03(2)(c).
33. Alter continues to rely on the 2004 Stack Test to calculate and report its VOC emissions. The 2020 supplemental information provided to WDNR by Alter for the 2016 Operating Permit Renewal Application (“S - 12 - Operating Permit Application Supplemental Cvr Ltr\_w attachments - Alter Trading\_MCC 3.10.2020” in the 2021 RFI Response), includes a value for maximum theoretical emissions of 2.64 tons of VOC per year for the Shredder based on an average VOC emission rate of 1.9 pounds of VOC per hour from the 2004 Stack Test. Alter provided no calculations to explain this VOC estimate.
34. Because they do not account for the significant lack of capture, as EPA observed during its 2022 inspection, the emission measurements from the 2004 Stack Test are not representative of the VOC emissions from the Shredder.
35. In order to better estimate VOC emissions from the Shredder, EPA evaluated VOC emission test results from a multitude of scrap metal shredders across the United States that demonstrated adequate capture during stack testing. Based in part on the average rate of automobiles processed by the Shredder, derived from information shared with EPA by Alter, EPA calculated a potential to emit that is many times greater than Alter’s calculation of 13.9 tons of VOC per year based on the 2004 Stack Test.

36. EPA is aware of multiple shredders nationwide that have installed capture and control systems that are expected to achieve an overall VOC control efficiency of between 90 and 98 percent, demonstrating that achieving 85% control is technically feasible.

### **Violations**

37. By failing to control VOC emissions from the Shredder by at least 85%, Alter violated Wisconsin Administrative Code NR 424.03(2)(b).
38. By failing to submit supplementary facts and corrected information for the 2005 Permit to Construct Application and 2016 Operating Permit Renewal Application, Alter violated and continues to violate 40 C.F.R. § 70.5(b).

### **Environmental Impact of Violations**

39. These violations have caused or can cause excess emissions of VOCs. VOCs contribute to the formation of ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.
40. Milwaukee County, where the Milwaukee Facility is located, has been designated by EPA as a marginal non-attainment area for the 2015 8-hour ozone standard. Non-attainment areas are areas that are measured to have air quality worse than the National Ambient Air Quality Standards as defined in the Clean Air Act Amendments of 1970.
41. The Milwaukee Facility is located in a community of environmental justice concern, based on a review of EPA's EJ Screen Tool. The population within 1 mile of the Milwaukee Facility exceeds the 80<sup>th</sup> percentile for all eleven of the environmental justice indexes nationwide.

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Michael D. Harris  
Division Director  
Enforcement and Compliance Assurance Division